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Introduction

It is with great honor that I present the Annual Report for 2016 – a very special year for the foundation. It has been a year where we consolidated the Fairmined Initiative, symbolized by the use of Fairmined Gold for the Nobel Peace Prize, the Olympic Laurel in Rio de Janeiro and another year with the Golden Palm for the Cannes Film Festival. These international recognitions have been joined with increased sales of Fairmined Gold that have affirmed the importance of building a responsible and trusted supply chain that creates benefits for artisanal and small-scale miners (ASM) and adds value for the market and consumers.

It was a year where larger projects such as the UNIDO project in West Africa and the Inter-American Development Bank (IDB) project were either successfully completed or moved to their last phase of execution, positively impacting several ASM mines in different countries and continents. It was also the year where the foundations were laid for innovative new projects to be implemented that will allow ARM to continue its work in bringing new mines into the Fairmined System and to initiate the development of the Market Entry Standard. The Market Entry Standard will help the mines that are less well-developed to gain the support they need to gradually enter the Fairmined System, which is a long standing commitment of ARM to the miners and a central part of its mission to help transform ASM into a genuinely responsible extractive sector.

2016 was also a year of important internal changes at ARM culminating in Yves Betran assuming the position of Executive Director. Yves comes to lead the team of ARM with his solid experience of work with artisanal and small-scale mining in different parts of the world, and with a deep commitment to ARM’s values and spirit.

Last but not least, it is important to mention that all this work was only possible due to the ongoing support and belief of our partners, funders and allies. Your commitment to the ASM sector and the trust you place in ARM is fundamental to our success in positively affecting the lives of miners and communities around the world.

Maria Laura Barreto
President of the ARM Board

Maria Laura Barreto
A golden year for ARM
The vision of our Director

Executive Director

Yves Bertran

As a former African Program Manager, and even more as the recently appointed Director of ARM, it is a great pleasure to introduce the 2016 annual report, which fills me with pride for several reasons:

First, it is a great pleasure to integrate such a great international team, composed of young talented consultants and employees that maintain a high degree of dynamic and innovative spirit, always highly committed to achieve the missions of ARM.

Second, I am extremely grateful to the Board for giving me the opportunity to take over the reins of the programs and orientations of the organization. To me it represents an exciting challenge and a great opportunity to take ARM’s evolution even further in its capacity to support the artisanal and small-scale mining (ASM) sector.

Third, I’d like to introduce the progress of ARM throughout 2016, with several great achievements which highlight the organization’s full commitment to a long term change of the sector. What better sign of success than the event that happened in December, but left a mark on the whole year. I’m referring to this year’s Nobel Peace Prize awarded to Colombian President Juan Manuel Santos.

The symbolism of this award not only sends a sign of changing times in the country where so much of the ASM industry has been related to the oldest conflict in Latin America, but the fact that the gold medal was crafted with Fairmined Gold coming from the COODMILLA and IQUIIRA cooperatives, whose communities have suffered so much due to the influence of armed groups in the recent past. This gives it a special meaning, for us, and all of our partners that contributed to this achievement, and to Colombia.

Indeed, the meeting of President Santos with Daniel Riascos, the miners’ representative of the COODMILLA cooperative, at the award ceremony is representative of our wide collaborative work, from local consultants that support the mining organizations, to the marketing and communication departments. It was also made possible thanks to the very strong commitment of our partners all along the supply chain, such as the Fairmined Gold refiner that made the precious metal available, the Mint of Norway and the Nobel Peace Prize Organization.

The dedication of ARM to the objectives defined in our theory of change is also highlighted by the awarding of funds from the European Partnership for Responsible Minerals (EPRM) for a project that will introduce a new type of standard, focusing more on basic requirements and allowing more ASM sites and organizations access to the international legal market. This new tool, a complement to the Fairmined Standard, has the potential to be a great instrument to in-
crease formalization and better practices in the sector, but also as a way to set a universal, unbranded reference from producers to markets. ARM, together with the NGO RESOLVE, will test a first version of this standard during the next 16 months.

As a continuation of ARM’s efforts to improve miners’ livelihoods, the project funded by the Inter-American Development Bank (IDB) has led to great successes over the past 3 years. The year 2016 gave us the opportunity to measure the outcomes of this initiative: all of the supported mining organizations have reached 100% of their objectives, and this year saw the fruit of last year’s work with the certification of another organization. Besides, the Somos Tesoro project will come to an end in 2017, but leaves its mark with its support of more than 19 miners’ organizations with matters of occupational health and safety training programs.

Our involvement in the Better Gold Initiative, funded by the Swiss Economic and Cooperation Organization (SECO), also brought new horizons for the Fairmined Certification in Colombia. The model has been introduced to a great number of ASMOs, and more than 20 of them have been assessed with the Fairmined internal evaluation tool. The second phase of this great program will start in 2017, offering the possibility to capitalize from the baseline work that took place last year.

Similarly, in Africa we have been highly active in Senegal, Burkina Faso and in particular in Cameroon, where 10 ASM organizations have received support. These organizations are now in the process of becoming legal and sufficiently organized to be able to create internal savings systems. Taking into account the economic issues allows these groups to enhance their technical capacity. In this case, testing them with an improved, locally crafted high-performance processing system has created an incentive for better organization, legalization, and finally more formalization of the activity.

Last but not least, 2016 has also been an opportunity for ARM to open more consulting studies, giving chances to diversify and strengthen the business model, as well as using the know-how of the team as an advantage. This has been the case in particular with an in-depth study of the ASM supply chains in Kenya, Uganda and Rwanda funded by the UK cooperation.

In 2017, our activity will be oriented even more towards the integration of a variety of aspects encompassed by the ASM sector. More impetus will be given to the role of responsible mining in conflict areas, and our team is fully committed to help miners reduce their mercury emissions, in order to build sustainable production and a supply chain of gold in the search for a brighter future.

Looking back on a year full of successes, we feel confident that our work will make 2017 a great year for the advancement of artisanal and small-scale mining in its evolution towards social and environmental responsibility.

Yves Bertran
2016 by the numbers

Mines certified under the Fairmined Standard

Peru
- Sotrami
- Aurelsa (certified until September)
- Cecomip (new)

Bolivia
- 15 de Agosto

Colombia
- Iquira
- Coodmilla (5 mining organizations)

Mongolia
- Xamodx
Emergence of the first two national supply chains in Peru and Colombia

Peruvian and Colombian jewelers are buying Fairmined Gold from certified mines in their country.
Design is something we are passionate about, and bringing our work to a much higher level by supporting the sustainable development of artisan communities and environmental protection is something that motivates us to keep progressing. This is why we support responsible mining as a viable option to contribute towards the sustainable development of our country.

Ximena and Pamela Ceballos, designers for the Peruvian Sissai brand and Fairmined Licensees

International awards made of Fairmined Gold

The Golden Palm from the Cannes Film Festival, the Olympic Laurel of Rio 2016 and the Nobel Peace Prize awarded to Colombian president Juan Manuel Santos.
Winning] the Nobel Prize is evidence that Colombia can achieve great things. Congratulations to President Santos for this historic achievement and to the certified miners of La Llanada and Íquira for providing the gold to produce the Nobel Peace Prize Medal.”

Daniel Riascos, representative of the COODMILLA Cooperative in Nariño, Colombia

First commemorative medal made with Fairmined Gold: The King’s Choice
Projects

8 projects in 7 countries
Colombia, Bolivia, Peru, Mali, Burkina Faso, Senegal and Cameroon

5 consultancies in 5 countries
Uganda, Rwanda, Kenya, Colombia and Senegal

We work with 109 mining organizations to introduce more responsible practices:
97 from Colombia, 2 from Burkina Faso, 1 from Senegal, 4 from Peru, 1 from Mongolia, 3 from Bolivia and 1 from Ecuador.

Beneficiaries by country

Colombia 4,049
Peru 1,111
Bolivia 409
Mongolia 300
Senegal 125
Burkina Faso 75

Direct beneficiaries in 2016: 6,069 • Indirect beneficiaries in 2016: 12,944

Institutional

42 employees

Funds mobilized
USD $ 1,156,871
The Nobel Peace Prize Shines Bright with Colombian Fairmined Gold

One of the most important achievements of 2016 was that the Nobel Prize Medal awarded to Colombian President Juan Manuel Santos, made with Colombian Fairmined Gold from the certified cooperatives Iquira and Coodmilla.

For the miners of Coodmilla it was quite symbolic to be part of this historic moment for Colombia, due to the past violence in the region for some of its members. Iquira has been one of the pioneers in responsible gold production under the Fairmined Label in Colombia.

“We are very happy that this year’s Nobel Peace Prize is made of our Fairmined certified gold. It is a recognition of the hard but decent work we are doing in traditional and community mining to assure our family’s livelihoods and the development of our communities. Every day we endanger our lives in the depths of the mountains, furthermore it is a challenge to live in a conflict country – we, the miners, are longing for peace.”

Henry Guerrón, artisanal miner and member of the Coodmilla Cooperative

In the face of a peace and post-conflict process in Colombia, supporting the formalization of artisanal and small-scale miners (ASM) and providing the tools to achieve responsible and sustainable mining is a great opportunity for society and the Colombian State. Responsible ASM mining is a key to achieving a lasting and inclusive peace, as some illegal armed groups have used gold mining as a business to finance and launder assets of illegal origin. Mining organizations such as Coodmilla and the Iquira Cooperative show that ASM with technical support and mining rights can generate quality jobs and contribute to rural development by making mining socially responsible and respectful of the environment.
Theory of Change

Alliance for Responsible Mining - Theory of Change

**Core strategies**
- Assisting miners on the ground
- Developing standards and certification systems
- Building responsible gold supply chains and markets
- Promoting inclusive policies in the mining sector

**Support strategies**
- Communications and marketing
- Knowledge management
- Institutional development

**Strategies**
- Increased market participation of certified gold
- ASM integrated into the legal supply chain under fair conditions
- Increased legitimacy of responsible ASM
- Legal frameworks and policies for the ASM
- Strong institutional support for the ASM sector

**Sustainable artisanal and small-scale mining organizations**
- Formalization + efficient technologies and best mining and business practices + certification

**Sustainability issues**
- Economic
  - Organizational development
  - Access to mining rights
  - Profitability
  - Market access
- Environmental
  - Responsible use of toxic substances
  - Protection of ecosystems
- Socio-laboral
  - Decent labor conditions
  - Social protection
  - Gender equity
  - Protection of children and youth
  - Social dialogue
- Business Ethics
  - Good governance
  - Community relations
  - Entrepreneurial vision
  - Leadership

**Continuous improvement**
- Wellbeing of miners, their families and the community
- Reduction of the negative impacts on the environment
- ASM contributes to local and national economic development and job creation

**Short and medium-term changes**
- ARM grows and expands geographically in a controlled and sustainable way

**Long-term impacts**
- ARM is the global leader in services and knowledge of the ASM sector
Milestones and Results in the Core Strategies of the Theory of Change

Changes Generated in 2016

• **Assisting Miners on the Ground**

Based on the theory of change mentioned above, ARM has developed a strategy with goals to bring about the necessary changes in ASM and its environment. Below we will present the goals and related activities we have developed in 2016 to generate impacts on the theory of change.

**ASMOs* identify ways to strengthen:**

*Improvement plans drafted and distributed*

The first stage is to develop a participatory diagnostic with the miners and run a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis in order to jointly formulate areas that need to be improved to come into compliance with the requirements of the Fairmined Standard.

In 2016, scoping studies were conducted for 21 improvement plans out of the total 129 from the previous year, seeking funding to launch those plans in 2017.

**ASMOs progress towards achieving the goals of their improvement plans**

**Progress made on activities proposed in the improvement plans**

The main activities performed as part of the improvement plans developed in 2016 were development of production and investment plans, support for the reduction/elimination and adequate management of mercury, geotechnical studies to analyze the safety of tunnels and management systems for occupational health and safety.

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*Artisanal and small-scale mining organizations.
Progress made on goals proposed in the improvement plans

In 2016, the general goals in the improvement plans were established around the completion of the formalization process, production plans in the medium and long term, design and implementation of occupational safety and health management systems and realistic mercury disposal plans.

ASMOs improve in formalization aspects

ASMOs improve in formalization aspects:

Supporting the development of occupational health and safety management plans;

Monitoring and supporting compliance with the environmental and technical requirements of regulatory institutions;

Raising awareness and support for creating labor contracts and social security affiliations for partners and employees, and providing support to update or produce documents, studies, and programs required by the applicable regulations for each case.

For the IDB (Inter-American Development Bank) project, compliance (in %) with activities in the improvement plans was:

<table>
<thead>
<tr>
<th>Country</th>
<th>Compliance (%)</th>
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<tbody>
<tr>
<td>Bolivia</td>
<td>96%</td>
</tr>
<tr>
<td>Peru</td>
<td>78%</td>
</tr>
<tr>
<td>Colombia</td>
<td>132.5%</td>
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For the IDB project, compliance (in %) with goals in the improvement plans was:

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<tr>
<th>Country</th>
<th>Compliance (%)</th>
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<tbody>
<tr>
<td>Bolivia</td>
<td>57.5%</td>
</tr>
<tr>
<td>Peru</td>
<td>44%</td>
</tr>
<tr>
<td>Colombia</td>
<td>84%</td>
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Project Somos tesoro

31 ASMOs improved in labor, administrative, and organizational aspects.

Project IDB

8 ASMOs advanced towards becoming more formalized.
In 2016 56 women benefited in the 4 departments (Santander, Nariño, Boyacá, and Antioquia) where ARM has supported mining organizations, through the project “Strengthening the Gender Approach and Productive Chain in Mining Organizations and Communities in Colombia” (phase II). The objective of the project, funded by Fundación Ayuda, was to contribute to the socio-economic empowerment of women miners who are working towards enacting good practices in artisanal and small-scale mining in Colombia.

“Responsible mining is mining that is environmentally just; and where we do not work with violence, we are not forced to work. We try to keep a better balance, this area for example is free of mercury and cyanide. We try to fix everything that gets damaged, by reforestation, keeping the water clean... we always try to improve things.”

Harbi Guerrero, partner of a Fairmined certified mine belonging to the COODMILLA Cooperative (Nariño, Colombia)
This year proved that the Fairmined Certification model can generate economic, reputational, and social benefits to certified organizations and their environment. Audits of year 1 and 2 were held, proving that certification can be maintained. We had the satisfaction of seeing the world’s first alluvial mining cooperative (Cecomip) become successfully certified, allowing us to reward their ongoing commitment to responsible practices and introducing the form of document-based audits.

New audit firms

The assurance processes for Fairmined suppliers and licensees was strengthened, increasing flexibility while maintaining the rigor of the Standard and compliance with its requirements. For example, a new procedure with specialized tools was introduced for the recognition of audit firms, which the Alliance for Responsible Mining used to recognize two new audit firms (Mazars and UL Responsible Sourcing) to conduct Fairmined audits. This was accompanied by the achievement of the first combined audit between RJC and Fairmined, contributing to reduced costs, providing greater efficiencies, and facilitating the involvement of market players with various certifications and access to the supply of gold from responsible ASM.

Continuation of Fairmined Certification

A noteworthy achievement in 2016 on the Fairmined Certification System was building the industry’s confidence in the system through actions such as the launch and continued use of the online information system ECERT, which enables traceability of Fairmined Gold and Silver transactions, access to product distribution information, and centralized management of audit processes.
We decided to renew our certification because we are committed to the environment and the community, and we demonstrated that you can mine in a responsible way. Thanks to the certification we can export and achieved fairer commercial relationships, and we have obtained international recognition for being Fairmined certified. We want to keep improving to continue to be part of this process to achieve fair and responsible mining.

José Ignacio Perez, partner of the Iquira cooperative

**The Fairmined Standard towards Formalization**

From the perspective of standards, the Fairmined Standard proved to be the incentive for mining organizations to continuously work towards formalization, given that Fairmined rewards formalization. Furthermore, the label provides opportunities for mining organizations to access an international ethical market that values gold that not only fulfills legal requirements, but goes beyond by committing themselves to generate positive impacts in their organizations and communities.

**Market Entry Standard**

Experience has shown us that Fairmined Certification requires large investments, resources, and commitments from organizations that are already formalized or have an advanced level of formalization. For this reason ARM aims to develop a Market Entry Standard that includes producers who are starting to take the first steps in the formalization process. They will be given an opportunity to be included in the gold supply chain and to comply with the minimum industry requirements with certain incentives, seeking to put them on course for gradual changes that will later allow them to apply to Fairmined Certification.
Development of Markets and Supply Chains

Globally there is an irreversible trend for responsible, traceable sourcing, with increasing regulation, more companies establishing responsible sourcing policies and consumer expectations affecting the jewellery and precious metals industries. Fairmined is well positioned as a credible, legitimate and proven tool for miners to improve their lives, their working conditions and communities. Fairmined is also proving to be a positive market solution for gold buyers looking to support responsible artisanal mining and looking to have responsible and traceable supply chains. Although there are added costs for purchasing Fairmined, those companies which have effectively communicated the added value have been able to pass on those costs to customers or materialize those benefits in other areas such as their brand reputation, capture market position via differentiation, visibility in media, as well as employee satisfaction and engagement.

Francesc Picanyol Ballester, a Fairmined Licensee and Operator, explains the many ways that the label has brought value to his business, the jeweller Majoral in Barcelona:

In the first place, it gives us the value of differentiation with respect to other businesses in the sector. Secondly, it gives us value for our company’s social responsibility. Thirdly, it gives us the possibility of participating in a network of businesses with our shared values. And finally, we believe that our economic activity contributes directly to improving our environment.
The Fairmined Market

In 2016 Fairmined gold sales reached a record of **195 kilograms**, up 78% over the previous year. The number of Fairmined licensed businesses increased from **83 in 2015 to 131, located in 20 countries**, and 36% of those licensees increased their Fairmined Gold purchases compared to the previous year. There were 11 Fairmined Authorized Suppliers located in 8 countries, playing a vital role in connecting the miners with the market and supplying the Fairmined Licensees with the Fairmined gold semi-finished products and alloys required to make the jewellery, medals and awards.

During 2016 Fairmined obtained meaningful milestones and international recognition, such as the international awards proudly made out of Fairmined Gold: the Cannes Film Festival’s Palme D’Or, the Olympic Laurel in Rio 2016, and the Nobel Peace Prize awarded to the Colombian President, Juan Manuel Santos.

Entry into 2016 in the numismatic market with good Fairmined Gold results

Fairmined Gold entered the numismatic market in 2016 with great results. Thanks to the pioneering role of Samlerhuset, the Norwegian Mint launched the world’s first commemorative medal made of Fairmined certified gold, the special edition of King’s Choice. The early success resulted in Fairmined medals also being sold in Finland, Slovakia and the Czech Republic. The first striking of the medals sold out very quickly in all four markets. Consumers were willing to pay 25-30% more for a medal made in Fairmined Gold. When these customers were polled as to why they purchased the medal, choosing between the three options of i) design, ii) theme or iii) Fairmined; Fairmined received the most votes.

Samlerhuset are an example of best practice on how to effectively pass on the added value of Fairmined to their customers and stakeholders. This is now a great business case for other mints around the world to be the first to launch Fairmined gold coins and medals in their national markets.

This year marked the first national Fairmined supply chains in the producer countries of Peru and Colombia. There are now jewellers in Peru and Colombia working with Fairmined gold purchased from the miners of their respective countries.
Certified supply chains and access to market

Fairmined has provided the framework for certified mining organizations to access the market under favorable conditions. The certified mining organizations have access to new buyers in international markets, reducing their dependence on the conditions imposed by local buyers. Fairmined Gold sales generated a Premium of US$ 575,000 in 2016. Fairmined has proven to be a successful market model that provides the miners with the financial incentives and resources to improve their operations, practice responsible mining, meet the rigorous Standard requirements and invest into their developmental goals.

The ARM team provided training and support for the certified mining organization in establishing supply chains and facilitating relationships with Fairmined Gold buyers. In 2016, the certified mining organizations of COODMILLA, Iquira, AU-

RELSA and CECOMIP had demand to sell 100% of the Fairmined Gold they offered for sale.

The two certified mines in Colombia, COODMILLA and Iquira, are great examples of mining organizations that have become empowered to successfully export their gold. Both had previously never exported gold, but thanks to their Fairmined Certification projects with Chopard and BID and the support from the ARM team and Fairmined Gold refiners like S&P Trading, they now export regularly. They have both received recognition nationally in Colombia by the Colombian Presidents office, national media outlets and the Ministry of Mining. Since 2013, COODMILLA have completed over 60 exports. This year COODMILLA won an award for excellence in exporting, presented by their department’s governor’s office.

Says Ole Bjørn Fausa, CEO of Samlerhuset, owner of the Mint of Norway

The initiative and collaboration with ARM goes beyond the delivery of the [Nobel Peace Prize] Medal. We want the coin and medal minting industry to take a more critical look at the gold they use. We must raise their awareness of the importance of using Fairmined certified gold and supporting quality artisanal mining. This will help gradually improve working conditions for miners and proper environmental management.
• Promoting Inclusive Policies in the Mining Sector

At national, regional, and global levels, the Alliance for Responsible Mining applies its technical expertise and leverages its ongoing and close contact with mining communities to push for the adoption of **inclusive and favorable policies for developing artisanal and small-scale mining** (ASM), founded upon an understanding of the miners’ reality and potential.

Towards this goal, ARM is taking action in the following areas:

- Promoting and facilitating **multi-stakeholder dialogues**.
- Creating **networks to exchange knowledge and experience**.
- Building the **capacity of local players** to engage in dialogue, participate, and advocate.
- Producing and disseminating relevant and **reliable information** on artisanal and small-scale mining.

**Major Results of ARM in 2016**

- Deepened **commitment to civic and institutional spheres for public policy-making** by being nominated and elected to serve as representatives of civil society on the National Tripartite Committee of the Extractive Industries Transparency Initiative in Colombia, designed to promote greater levels of transparency and access to public information in the extractive sector (oil, mining, and gas).
- Launch of the publication “The Formalization of Small-scale Mining in Colombia: Experiences from the Field”, a compilation of five case studies analyzing the impact on mining formalization programs such as the relationship between large and small-scale mining, mercury management, marketing processes, institutional support, and operating in environmentally-fragile areas.

- Locally hosted two Gold Dialogues in Colombia under the framework of multi-stakeholder dialogue and consultation that we supported in three municipalities in western Antioquia, which benefited over a hundred community leaders and public officials at the local, regional, and national level.

- Active participation in the consultation process opened by the Colombian government that resulted in the issuance of an official classification for scales of mining, providing greater clarity for industry players and assisting in the process of regularization and formalization.

- Issued three briefs on the topic of public policy in Bolivia.

- Participated in a research project on the economic contribution of artisanal and small-scale mining in East Africa (Kenya, Uganda, and Rwanda).
Fairmined Premium Use in 2016

Examples of implemented or ongoing projects

- Construction of treatment plants for residual water in the mine, and a plant to both optimize water consumption and mitigate the mine’s environmental impact.

- Construction of camps for the workers.

- Implementation of a water pump project for the mining community.

- Construction of a second artificial grass sports field, including galleries and roofs.

- Improvement of the trails in the mine (stairs, stands, etc).

- Purchase of a vehicle for transportation from the community to the mine.

- Support of the local educational facility (two new classrooms, camp for the teachers and shading).

- Purchase of protection equipment for the women’s mineral sorting association “Nueva Esperanza”.

Examples of implemented or ongoing projects

- Inclusion of more artisanal miners in their mining concession.

- Payment of last year’s Fairmined audit.

- Investment in environmental studies.
Examples of implemented or ongoing projects

- Co-financing of a new connection tunnel in the mine to improve air circulation and save time and effort, resulting in greater productivity and convenience for the workers.
- Bonus for workers to improve their houses.
- Acquisition of a gas sensor to prevent risks of contamination, asphyxia and explosion.
- Self-rescue device in case of emergencies.
- Creation of a fund to allow workers access low-interest micro loans for private investment.

In the future the premium will be used to support other miners to improve their practices and participate in the Fairmined Certification System.

Examples of implemented or ongoing projects

- Purchase of terrain for the dumping of waste rock which will be crushed for use in construction.
- Contribution to general expenses within the cooperative: uniforms, studies, amongst others.
- Loans fund for unexpected events.
- Improvement of office equipment: purchase of furniture, water dispenser, shelves and a computer.
- Payment of Fairmined audit for re-certification.
- Support to finance the management system in occupational health and safety.
- Contribution to conduct environmental mining studies.
- Support of educational and religious facilities and individuals of the community.
We decided to accept the challenge of the Fairmined Certification because we pledge for environmental care and protection as well as for our community’s economic development. We know that more and more consumers demand sustainable gold produced under high environmental standards; we wanted to be a part of this process and we accomplished that. The time has come to export our responsible products backed by our social responsibility, in exchange for a fair price.

Declared William Yampara, president of CECOMIP 2016

CECOMIP is a model for artisanal and small-scale mining organizations, not only for its improvements and achievements but also because it is the first organization that obtained Fairmined Certification without any immediate corrective measures requested by the audit body. Furthermore, being the first alluvial mining cooperative in the world to obtain the Fairmined Certification

CECOMIP: The first alluvial gold mining cooperative in the world to obtain the Fairmined Certification

In 2016, the mining organization CECOMIP LTDA, situated in the district of Ananea in Puno, Peru, became the first alluvial gold mining organization worldwide to obtain Fairmined Certification.

This achievement is evidence of CECOMIP’s commitment to produce responsible minerals, meeting the requirements for the certification by guaranteeing the operations’ legality concerning environmental protection, fair working conditions, social and organizational development and traceability.
mining cooperative with Fairmined Certification, CECOMIP overrides the myth that responsible mining is not possible in this type of mining.

The certification was achieved thanks to the human resources of CECOMIP, where its people are its main capital. They are people who want to get ahead through responsible mining practices, they made it possible to reach the Fairmined Standard and achieve organizational, labor, environmental and traceability criteria.

Outstanding achievements of the certification process

- CECOMIP did not have a traceability system, they extracted the material without having control of volume or transportation. With the certification, it has been possible to establish a system of traceability of ore and take adequate control of it, something that not all organizations have and that has a very positive impact on the production.

- CECOMIP, with great effort, invested a significant sum in order to improve its signage. Today they have adequate signage in the areas of extraction, processing, administrative offices and warehouse.

- In terms of occupational safety, the proper use of personal protection elements (PPE) by workers was achieved. Now all are properly differentiated according to the areas in which they perform. In addition, a labor lawyer was hired who made recommendations, which were implemented gradually. Thanks to this, they are functioning and communicating better with employees, who now have full knowledge of labor rights.

Throughout its certification process, CECOMIP was supported by the Better Gold Initiative (BGI) - a public/private partnership between the Swiss Association of Responsible Gold (SBGA) and Swiss Cooperation (SECO), through the Consultative Group and Associates S.A.C. (ABR), who performed the gap analysis and implementation of the improvements in the Cooperative.
Projects and Consultancies

Projects

Improve the Social and Economic Performance of ASM in Latin America and the Caribbean

Donor: IDB / MIF

Duration: 54 months: March 2013 - September 2017

Summary: This project supports the development of market incentives and the formalization of artisanal and small-scale mining in Peru, Bolivia, and Colombia. The project works on five main areas: local capacity building for the formalization of artisanal mining, virtual training of trainers program, improving incentives for formalization and sustainability (fieldwork to support mining organizations), providing access to formal global markets, and knowledge management and dissemination regarding artisanal mining.

Results:

- **100% compliance** with execution of the improvement plans proposed at the project start for more than 90% of the beneficiary artisanal and small-scale mining organizations (ASMOs).

- **1 alluvial ASMO certified** in Fairmined Gold, bringing the total to **6 certified ASMOs** in Bolivia, Colombia, and Peru.

- **2nd certification for Íquira** through a new document review process that seeks to simplify the audit phase for ASMOs that have high levels of compliance.

- **100% improvement among ASMOs** whose progress in the formalization index was measured, within a sample of ASMOs in the project.

- The first **100% national supply chains** were created in Peru and Colombia, with the first Fairmined Licensees in these countries.
Creation of a Fairmined Gold Chain in West Africa and Reduction of Mercury use in Mining Processes

**Donors:** multiple (including FFEM)

**Duration:** 42 months: March 2013 - September 2016

**Coordinador:** UNIDO

**Summary:** Our work with UNIDO in West Africa focused on creating fair supply chains and reducing the use of mercury in mining practices. This project provided technical, administrative, and organizational assistance to artisanal and small-scale mining organizations that have the potential to adopt good practices by building the capacity of local organizations to be able to train and support the miners.

**Results:**
- Occupational Health and Safety Committees formed in two ASMOs.
- Risk identification and implementation of mitigation strategies on signs posted at mine sites, and support for investment in personal protective equipment.
- Support provided for the integration of groups of women miners in organizations, and for diversification of their income sources (community garden).
- Technical advice on improved production techniques given to women miners and implemented.
- Study conducted on the gold supply chain in Burkina Faso and Senegal.

Reducing Mercury Use in Gold Processing Plants in Andean Countries

**Donor:** United States Department of State

**Duration:** 18 months: September 2016 - February 2018

**Ally:** Colorado School of Mines

**Summary:** Together with the Colorado School of Mines, the Artisanal Gold Council, and several Peruvian universities, we are working to reduce the use of mercury in two mining sites in Peru and in a mining cooperative in Bolivia. Our intervention focuses on community participation, by first identifying intervention sites where the environment offers the potential to adopt new practices. The project also involves conducting a mercury baseline study by collecting samples, designing tools and methodologies to carry out a participatory monitoring and evaluation system with the mining community, and implementing a metallurgical
laboratory to more productively use the processing plant while also reducing the use of polluting chemicals.

**Results:**

- **Selection and characterization of two mining sites** in Peru, both in Relave (Ayacucho): the Minera Ballón and the industrial park.

- Water and soil sampling to **assess mercury pollution levels** affecting human health and the environment.

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**Somos Tesoro**

**Donors:** United States Department of Labor

**Duration:** 53 months: October 2013 - April 2018

**Allies:** Pact Colombia, Fundación Mi Sangre, and Fondo Acción

**Summary:** Somos Tesoro is leading efforts to reduce child labor in mining areas in Colombia. The consortium formed by Pact, Fondo Acción, Fundación Mi Sangre, and the Alliance for Responsible Mining is executing the project. Our particular focus is on improving mining safety and labor issues, while also providing technical assistance and advocacy on public policies to work towards the formalization of artisanal mining.

**Results:**

- We are working with **a broad network of mining units**: 15 in northeastern Antioquia (Segovia and Remedios), 72 in Boyacá (Sogamoso, Gameza, Topaga, and Mongua) and over 500 gold panners in the Bajo Cauca subregion of Antioquia (El Bagre and Zaragoza).

- More than **2,600 miners** have participated in at least one of the project’s training sessions on Mining Health and Hygiene.

- **26 public officials** were trained on child labor in mining.

- Design and implementation of **a self-care campaign in 8 municipalities**. Producers and their families were engaged through diverse and original activities, such as workshops with children, radio campaigns, community events, and delivery of educational materials, to raise the miners’ awareness of mining self-care.

- **Publication** on the formalization of small-scale mining in Colombia.

- Other events included trainings, workshops, and visits to observe **exemplary mines** in Boyacá.

- **Trip to exchange experiences with miners in Peru**, where five Colombian miners visited MACDESA, SOTRAMI, and FIDAMI.
**Strengthening Gender and Community Approaches in Mining Organizations and Communities**

**Donor:** Fundación Ayuda

**Duration:** 7 months: May 2016 - November 2016

**Summary:** Fundación Ayuda supported our work to ensure that gender equality is a reality in Colombian artisanal mining organizations that are working towards Fairmined Certification.

The project aimed to improve the presence and role of women miners in the organization’s discussions and in its leadership positions, while promoting the work of women who had begun adopting responsible mining practices.

**Results:**

- **56 women trained** in basic digital literacy, women’s rights, leadership and participation tools, and gender concepts.
- Development of a module on gender equality and basic rights in mining communities. This module reinforced women’s knowledge of not only gender inequalities, but also about women’s economic autonomy and the importance of their participation in decision-making.

**Strengthening the Incentives and Capacities Needed to Improve the Social and Environmental Performance of ASM**

**Donor:** Chopard

**Duration:** 36 months: June 2013 - June 2016

**Summary:** The project aimed to comprehensively improve the practices of three ASMOs in Colombia and Bolivia to achieve Fairmined Certification.

**Results:**

- The miners improved their environmental, social, trading, and technical practices.
- The supported ASMOs achieved on average a **30% reduction in mercury use** in their processing facilities.
- A system of internal control, a waste treatment system, and measures to improve occupational health and safety conditions were developed and implemented.
- **Capacity building for 12 women** from the Women’s Jewelers Association AsminaJoya on marketing and entrepreneurship.
- Two AMOs achieved **Fairmined Certification** and another renewed their certification.
- Two ASMOs began **exporting** for the first time.
Developing a Methodology for Formalization, Improving Access to Funding Sources, and Improving Gold Ore Processing in Cameroon

Donor: World Bank

Duration: 19 months: July 2016 - January 2017

Summary: The project aims to facilitate the formalization of pilot mining communities in the regions of Akom II and Ngoura, and to introduce best practices in their operations.

Results:

- Support for mining communities on issues of governance and formalization as organizations, guiding their process of forming ten cooperatives.
- Raising awareness and providing training to more than 200 miners on occupational health and safety and access to financing.
- Technical assistance on local processing and testing more efficient gold separation channels (four times faster processing capacity and recovery increased by over 50%).
- 2 training sessions for mining agency representatives on practical methodologies for guiding ASMOs towards formalization, for future replication.
Consultancies

Understanding the Financial Contribution of ASM in East Africa

Countries: Uganda, Rwanda, and Kenya
Donor and Ally: DFID, PACT UK
Duration: May 2016 - TBD
Summary: In collaboration with PACT UK, ARM is conducting a research project on the socio-economic contribution of ASM in East Africa (Uganda, Rwanda, Kenya), thoroughly analyzing the context and minerals through three case studies and an analysis of the supply chains for the selected minerals.

“Solution for Hope, Tantalum Project”

Country: Colombia
Ally: Resolve
Duration: 6 months:
July 2016 - December 2016
Summary: In collaboration with Resolve, within the framework of the initiative “Solution for Hope, Tantalum Project”, ARM analyzed the feasibility of initiating a tantalum supply chain at an artisanal mining site in the province of Vichada, in order to ensure that the mineral produced has no links with the country’s armed conflict.

Supporting the Fairmined Initiative in Colombia

Country: Colombia
Donor: Swiss Agency for Development and Cooperation (SECO) - “Better Gold Initiative”
Duration: 4 months:
December 2015 - March 2016
Summary: The purpose of this consultancy was to conduct a scoping study in Colombia to identify 20 ASMOs within selected departments that have the potential to comply with the Fairmined Standard.
**Conflict Resolution in Three Municipalities of Antioquia**

**Country:** Colombia

**Donor:** Federation of Canadian Municipalities (FCM)

**Duration:** 6 months: August 2016 - January 2017

**Summary:** Under the FCM program “Inclusive and Sustainable Communities in Latin America”, ARM trains and provides technical assistance in mining and environmental conflict resolution to three municipalities in the department of Antioquia, with a focus on the municipality of Buriticá. We also coordinate with multi-stakeholder groups and assist the local government in bringing both national and departmental governments, miners, and mining companies to the negotiating table.

**Development of a Diagnostic on Mercury Trade in Sub-Saharan Africa**

**Donor:** COWI – Denmark

**Duration:** 6 months: February 2016 - July 2016

**Summary:** This study was implemented by the World Bank in several African countries. The consulting firm charged with performing the study, COWI-Denmark, chose ARM as a facilitator for its implementation in Senegal. The project objectives were: (1) to understand the flows of mercury related to artisanal mining in the country; and (2) to train government agents in collecting data on mercury use in artisanal and small-scale mining sites, in order to prepare them to make inventories in the framework of the implementation of the Minamata Convention.
Consulting Clients

- World Bank
- The United Kingdom Department for International Development (DFID)
- The Federation of Canadian Municipalities - Program for Inclusive and Sustainable Communities in Latin America (CISAL)
- Swiss Agency for Development and Cooperation (SECO) - “Better Gold Initiative”

Consulting Allies

- Pact
- MERG
- Estelle Levin Limited
- GEUS
- Novasud
- TBB Hruschka
- COWI-Denmark

Bilateral and multilateral donors

- Inter-American Development Bank (IDB) - Multilateral Investment Fund (MIF)
- United Nations Industrial Development Organization (UNIDO)
- US Department of State (USDoS)
- US Department of Labor (USDoL)
- French Facility for Global Environment (FFEM)

Private sector

- Microsoft (donation)
- Chopard (financing of a project)
- Richline (financing of a project)
- Samlerhuset (travel financial support)
- 131 buyers of Fairmined Gold
- Cumbre de Sajama, ABR Consultant Group and Consulting S.A.C (Service Providers)

NGOs and private foundations

- Pact Inc.
- Resolve
- Fundación Mi Sangre
- Fundación Ayuda
- Fondo para la Acción Ambiental y la Niñez
- Artisanal Gold Council

Universities

- Colorado School of Mines
- Universidad Politécnica de Cataluña
- Pontificia Universidad Católica de Perú
- Universidad de Ingeniería y Tecnología de Perú
## Team

### Executive Direction

**Executive Director**
Yves Bertran  
yvesbertran@responsiblemines.org

**Sub-Director**
Marcin Piersak  
marcinpiersiak@responsiblemines.org

### Administration

(5 people)

Led by Santiago Londoño  
Head of Administration and Finances  
santiagolondoño@minasresponsables.org

### Alliances and New Initiatives

(2 people)

Led by Geraud Brunel  
Head of Alliances and New Initiatives  
geraudbrunel@minasresponsables.org

### Marketing and Communications

(3 people)

Led by Conny Havel  
Head of Marketing and Communications  
connyhavel@minasresponsables.org

### Fairmined Business Development

(2 people)

Led by Kenneth Porter  
Head of Fairmined Business Development  
kennethporter@minasresponsables.org

### Regulatory Frameworks

(2 people)

Led by Elizabeth Echavarría  
Regulatory Framework Officer  
elizabethechavarría@minasresponsables.org

### Standards and Certification

Led by Natalia Uribe  
Standards and Certifications Officer  
nataliauribe@minasresponsables.org

### Monitoring and Evaluation

Led by Baptiste Coue  
Consultant Monitoring and Evaluation IDB Project  
baptistecoue@minasresponsables.org

### Mining Services

(25 people in Colombia, Perú y Senegal)

Led by Natalia Gonzalez  
Coordinator of Mining Services  
nataliagonzalez@minasresponsables.org
86% of ARM staff expressed their pride in being part of the organization, reporting that they felt like team members who could also work autonomously. They kept a good working relationship with their colleagues, had open communication with their direct supervisors, felt identified with the organization’s mission, and enjoyed growth and continuous learning. Employee satisfaction has increased compared to the previous year, when it was reported 82%.

As always, our volunteers deserve special thanks. We are very fortunate to have been supported by:

- Claudia Franco
- Simon Levi
- Melanie Kempf
- Caroline Tardy
- Rhiannon Edwards
- Marco Perez
- Niko Hruschka

Composition by gender:

- **57%** Women
- **43%** Men

Growth
Financial Information

Economic and Financial Management

In 2016, total financial resources mobilized amounted to USD $1,156,871 (COP $3,471 million), of which 70% came from development cooperation projects that contributed USD $806,127 (COP $2,419 million). We also received USD $164,708 (COP $494 million) in revenue for our products and services. 2016 was the third year in which Fairmined licensing generated revenue of USD $113,192 (COP $339 million), which directly contributed to the sustainability of the certification program. We also received approximately USD $59,488 (COP $179 million) in contributions from the industry and individuals, and obtained additional revenue of USD $13,356 (COP $40 million) for the management of financial resources.

Financial Resources in US Dollars

- **$ USD 113.192** Fairmined Fees
- **$ USD 164.708** Products and Services
- **$ USD 59.488** Industry and individuals
- **$ USD 13.356** Management of financial resources
- **$ USD 806.127** Development cooperation projects
Financial Resources 2016

10% Fairmined Fees
14% Products and Services
5% Industry and individuals
1% Management of financial resources
70% Development cooperation projects

Mobilized Funds

52% Mining Services
17% Regulatory frameworks
11% Management and Administration
8% Standards and Certification
5% Fairmined Business Development
4% Alliances and New Initiatives
2% Communications
1% Financial expenses

Mobilized funds in Mining Services per region

64% Mining Services Colombia
22% Mining Services Africa
6% Mining Services Bolivia
6% Mining Services Peru
2% Mining Services Brazil
## Invested Funds in US Dollars

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<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mining Services</td>
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<tr>
<td>Mining Services Colombia</td>
<td>375.759</td>
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<td>Mining Services Peru</td>
<td>35.028</td>
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<td>Mining Services Bolivia</td>
<td>33.313</td>
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<td>Mining Services Africa</td>
<td>131.843</td>
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<td>Mining Services Brazil</td>
<td>14.433</td>
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<td>Standards and Certification</td>
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<td>Staff</td>
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<tr>
<td>Infrastructure</td>
<td>72.509</td>
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<td>Fairmined Business Development</td>
<td>57.909</td>
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<td>Staff</td>
<td>41.877</td>
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<td>Activities and travel</td>
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<td>Public Policies</td>
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<td>Management and Administration</td>
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<td>Communications</td>
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<td>Financial expenses</td>
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<td>Total</td>
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## Invested Funds in COP

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<td><strong>Mining Services</strong></td>
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<td>Mining Services Colombia</td>
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